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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in Lok Sabha on 25.2.2000.

BILL NO. 16 OF 2000

*A Bill further to amend the Coffee Act, 1942.*

BE it enacted by Parliament in the Fifty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Coffee (Amendment) Act, 2000.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

7 of 1942

2. In the Coffee Act, 1942 (hereinafter referred to as the principal Act), for the word "Collector", wherever it occurs, the word "Commissioner" shall be substituted.

Substitution of  
Commissioner  
for Collector.  
Amendment of  
section 9  
Amendment of  
section 3.

3. In section 3 of the principal Act, clauses (h) and (m) shall be omitted.

4. In section 9 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) The Central Government shall appoint a Secretary to the Board and may appoint a Deputy Secretary to the Board, to exercise such powers and to perform such duties under the direction of the Board as may be prescribed."

5. In section 10 of the principal Act, for the portion beginning with the words "except money in the pool fund" and ending with the words "had it continued to exist", the words "shall be disposed of in such manner as the Central Government may direct" shall be substituted.

Amendment of  
section 10.

Amendment of section 11.

6. In section 11 of the principal Act, for the words "fifty rupees", the words "two hundred rupees" shall be substituted.

Omission of sections 17, 18 and 22.

7. Sections 17, 18 and 22 of the principal Act shall be omitted.

Amendment of section 23.

8. In section 23 of the principal Act, sub-section (2) shall be omitted.

Omission of sections 24 and 25.

9. Sections 24 and 25 of the principal Act shall be omitted.

Substitution of new section for section 26.

10. For section 26 of the principal Act, the following section shall be substituted, namely:—

Sales of coffee by the Board.

"26. (1) The Board shall purchase coffee from the Indian market whenever the Central Government so directs.

(2) The Board shall sell or dispose of the coffee so purchased in such manner as the Central Government may direct."

Amendment of section 29.

11. In section 29 of the principal Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) A curing establishment when receiving coffee from any estate for curing shall report to the Board the particulars of the registered owner of such estate and the amount of coffee so received."

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) Every—

(a) agent appointed by the Board to cure coffee shall maintain accounts in such forms as may be required by the Board; and

(b) curing establishment shall maintain the records of quantity of coffee received and processed."

Substitution of new section for section 30.

12. For section 30 of the principal Act, the following section shall be substituted, namely:—

General fund to be maintained by the Board.

"30. The Board shall, on and from the commencement of the Coffee (Amendment) Act, 2000, maintain a general fund and the unexpended balance of all money in the pool fund maintained by the Board immediately before such commencement shall, after settlement of liabilities, be merged in the general fund:

Provided that any liability against such pool fund that may arise in future shall be met out of the general fund."

Amendment of section 31.

13. In section 31 of the principal Act, in sub-section (1), clause (b) shall be omitted.

Omission of section 32.

14. Section 32 of the principal Act shall be omitted.

Substitution of new section for section 33.

15. For section 33 of the principal Act, the following section shall be substituted, namely:—

Power to borrow.

"33. The Board may, subject to any prescribed conditions, borrow on the security of the general fund for any purposes for which it is authorised to expend money from such fund."

Omission of section 34.

16. Section 34 of the principal Act shall be omitted.

17. In section 35 of the principal Act, for the words "one thousand rupees" and "five hundred rupees", the words "ten thousand rupees" and "one thousand rupees" shall respectively be substituted. Amendment of section 35.
18. In section 36 of the principal Act,— Amendment of section 36.
- (i) in sub-section (1),—
- (a) the words and figures, "or section 17 or section 18", shall be omitted;
- (b) for the words "one thousand rupees", the words "five thousand rupees" shall be substituted;
- (ii) sub-section (2) shall be omitted.
19. In section 37 of the principal Act, for the words "five hundred rupees", the words "five thousand rupees" shall be substituted. Amendment of section 37.
20. In section 37A of the principal Act, for the words "one thousand rupees", the words "five thousand rupees" shall be substituted. Amendment of section 37A.
21. In section 38 of the principal Act, for the words "one thousand rupees", the words "five thousand rupees" shall be substituted. Amendment of section 38.
22. Sections 38A and 38B of the principal Act shall be omitted. Omission of sections 38A and 38B.
23. In section 39 of the principal Act, for the words "one thousand rupees", the words "five thousand rupees" shall be substituted. Amendment of section 39.
24. In section 43 of the principal Act, in sub-section (2), for the words "five rupees", the words "five hundred rupees" shall be substituted. Amendment of section 43.
25. Section 47 of the principal Act shall be omitted. Omission of section 47.
26. In section 48 of the principal Act, in sub-section (2),— Amendment of section 48.
- (i) in clauses (x) and (xii), for the word "funds", wherever it occurs, the word "fund" shall be substituted;
- (ii) clause (xviii) shall be omitted.

## STATEMENT OF OBJECTS AND REASONS

One of the objectives of the Coffee Act, 1942 has been to operate a Coffee Pool System under which all the growers shall compulsorily pool their produce to a common coffee pool. Coffee so pooled is to be marketed by the Coffee Board and the proceeds distributed to the growers after deducting pool expenses. From the beginning of this decade, there has been a constant demand from growers that the pooling requirement should be scaled down/abolished and that the growers be allowed direct access to the market. Accordingly, for the first time during the Coffee Season 1992-93, an Internal Sale Quota of thirty per cent. of the total produce was permitted to be retained by the growers for sale in the internal market.

2. In January, 1994, the Coffee Act, 1942 was amended to provide for a Free Sale Quota by which the growers were required to pool fifty per cent. of the total coffee produced. The remaining fifty per cent. could be marketed by the growers in either internal or international market according to their choice. The pooling requirement was further reduced in April, 1995 and Government allowed hundred per cent. Free Sale Quota to all the farmers owning plantations having area of ten hectares or less. The growers, owning plantation area exceeding ten hectares, were required to pool thirty per cent. of their coffee with the Coffee Board.

3. After going into all aspects of the pooling policy and noting the enhanced capability of the growers to market their own coffee without the Government intervention, the Government decided in September, 1996 to abolish the pooling system altogether. Keeping the Coffee Policy, 1996 in view, the Government has decided to effect necessary changes in the Coffee Act, 1942 by deleting certain provisions which govern the pooling of coffee with immediate effect. The Government also decided to avail of the opportunity for rationalisation of penalties for violation of the various obligatory provisions of the Act, and for enhancement of ceiling of duty of customs on coffee. The money thus raised will, *inter alia*, be utilised for undertaking further research, development and extension activities by the Coffee Board so that the objectives of reaching the target of coffee production of three lakh tonnes by the end of this century could be achieved. The Coffee year starts from 1st of July and ends on 30th of June following, but arrival of coffee begins from October of the year. Therefore, hundred per cent. Free Sale Quota system which had been announced in September, 1996 needs to be formalised so that the growers and exporters are able to plan their activities in time. The Coffee (Amendment) Bill, 1997 was, therefore, introduced in Lok Sabha, which was referred to the Department Related Parliamentary Standing Committee on Commerce. Based on the recommendations of the Committee and with the approval of the Cabinet, the Lok Sabha Secretariat was given notice by the then Commerce Minister of the intention to move the amendments to be taken into consideration. The said Bill was listed for consideration in the first week of the Winter Session of Parliament, 1997. But with the dissolution of the 11th Lok Sabha the Bill lapsed.

4. With the constitution of the 12th Lok Sabha, the Coffee (Amendment) Bill, 1998 was introduced in the Lok Sabha on 7th December, 1998 and was also passed by that House, but with the dissolution of the 12th Lok Sabha, the Bill lapsed once again.

5. The present Bill seeks to achieve the above objectives.

NEW DELHI;

The 9th January, 2000.

OMAR ABDULLAH.

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PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE  
CONSTITUTION OF INDIA

[Copy of letter No. 9(6)/99-PLANT (B) dated the 14th February, 2000 from Shri Omar Abdullah, Minister of State in the Ministry of Commerce and Industry to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the Coffee (Amendment) Bill, 2000, recommends under clause (1) of article 117 of the Constitution of India, introduction of the said Bill in Lok Sabha.

G.C. MALHOTRA,  
*Secretary-General.*

